

AMENDMENT 1 TO
MEMORANDUM OF AGREEMENT
NAT-I-3086
BETWEEN THE
FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA
AND THE
SPECIAL ADMINISTRATIVE UNIT OF CIVIL AVIATION
MINISTRY OF TRANSPORTATION
REPUBLIC OF COLOMBIA

ARTICLE I—GENERAL

Pursuant to the terms of Article VIII of Memorandum of Agreement NAT-I-3086 (the Agreement), the Federal Aviation Administration (FAA) and the Special Administrative Unit of Civil Aviation of the Ministry of Transportation of the Republic of Colombia (UAEAC) agree to amend the Agreement by replacing Article VI, Financial Provisions, with the following:

ARTICLE VI—FINANCIAL PROVISIONS

Each annex or appendix shall describe the specific financial arrangements for the technical assistance to be provided. However, all financial arrangements shall be subject to the following:

A. Prior to the performance of any services by the FAA, the UAEAC shall pay to the FAA the estimated cost of providing the services and an administrative overhead charge in accordance with the provisions set forth in this Agreement and its annexes and appendices.

1. In the event that the FAA does not receive the payment within the time specified in the applicable annex or appendix, the FAA shall automatically terminate the technical assistance project and forward a bill for actual costs incurred in preparing to provide the technical assistance.

2. In the event that the UAEAC requests emergency technical assistance the FAA may, in its sole discretion and on a case-by-case basis, waive the requirement for prepayment if the emergency directly affects aviation safety. In such cases, the FAA will submit a bill to the UAEAC for all costs incurred by the FAA in providing the emergency services, including an administrative overhead charge.

B. The FAA has assigned agreement number NAT-I-3086 to identify this technical assistance project. This agreement number and the billing number assigned to each annex or appendix, if applicable, shall be referenced in all correspondence and bills related to this agreement.

C. Upon completion of the services, the FAA shall submit a statement of account to the UAEAC detailing the actual cost of providing the services. Each statement of account will be delivered to the address specified in the respective annexes or appendices.

1. If the statement of account shows that the actual cost of providing the services is greater than the estimated cost paid by the UAEAC, the UAEAC shall pay the balance due to the FAA.

2. If the statement of account shows that the actual cost of providing the services is less than the estimated cost paid by the UAEAC, the FAA shall refund the difference to the UAEAC, apply the difference to any unpaid balances owed by the UAEAC under the Agreement, or hold the balance as a deposit against any future work under this Agreement, as agreed to by the parties.

D. Payment of a balance due must be received by the FAA within sixty (60) days from the date the FAA issues a statement of account. In the event that payment is not received by the FAA within sixty (60) days from the date the statement of account is issued, the FAA shall assess late payment charges - i.e., interest, penalties, and administrative handling charges - in accordance with U.S. Treasury Department regulations. The FAA shall assess additional late payment charges for each additional thirty (30) day period, or portion thereof, that payment is not received. The UAEAC shall pay any such late charges.

E. All payments shall be made in U.S. dollars and may be made either by check or electronic funds transfer. Checks shall be drawn on a U.S. bank and forwarded to the FAA at the address specified in the annex or appendix. Electronic funds transfers shall be made in accordance with the instructions set forth in the applicable annex or appendix. All payments shall include a reference to the assigned agreement number and billing number.

F. The FAA reserves the right to suspend all work under this Agreement if there is an outstanding balance for work performed or services rendered under any of its annexes or appendices.

G. In the event of a termination by either party under Article X.B of this Agreement, the UAEAC shall pay:

1. All costs incurred by the FAA in providing, or in preparing to provide, the technical assistance prior to the date of such termination; and
2. All termination costs incurred by the FAA during the 120-day close-out period

ARTICLE II--ENTRY INTO FORCE AND TERMINATION


This Amendment shall enter into force on the date of the last signature. All other provisions of the Agreement remain in force.

ARTICLE III--AUTHORITY

The FAA and the UAEAC agree to the provisions of this Amendment as indicated by the signature of their duly authorized representatives.

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

BY:


Douglas E. Lavin

TITLE:

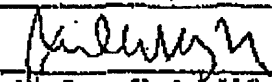
Assistant Administrator for
International Aviation

DATE:

March 1, 2005

THE SPECIAL ADMINISTRATIVE UNIT OF
CIVIL AVIATION
MINISTRY OF TRANSPORTATION
REPUBLIC OF COLOMBIA

BY:


Dr. Juan Carlos Vélez Uribe

TITLE:

Director General

DATE:

March 1, 2005